

PERFORMANCE & COMPENSATION COMMITTEE OPEN SESSION

BOARD OF ADMINISTRATION

MINUTES OF MEETING

June 17, 2008

The Performance and Compensation Committee met on Tuesday, June 17, 2008, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 11:00 a.m. and the following members were present:

Priya Mathur, Chair Tony Oliveira Debbie Endsley representing David Gilb Louis F. Moret Anne Sheehan Kurato Shimada - excused Charles Valdes - excused

AGENDA ITEM 2 – APPROVAL OF THE MAY 13, 2008 PERFORMANCE AND COMPENSATION COMMITTEE MEETING MINUTES

The minutes were approved as presented.

AGENDA ITEM 3 – 2008-2009 PERFORMANCE PLANS FOR THE INTERIM CHIEF EXECUTIVE OFFICER, CHIEF ACTUARY, GENERAL COUNSEL, INTERIM CHIEF INVESTMENT OFFICER AND HER DIRECT REPORTING STAFF (FIRST READING)

Chris O'Brien, Chief of Human Resources, presented, as an action item, for first reading, the 2008-2009 Performance Plans for the Interim Chief Executive Officer, Chief Actuary, General Counsel, Interim Chief Investment Officer and her direct reporting staff.

On **MOTION** by Mr. Moret, **SECONDED** and **CARRIED** the Committee approved the first reading of the 2008-2009 Performance Plans for the Interim Chief Executive Officer, Chief Actuary, General Counsel, Interim Chief Investment Officer and Senior Investment Officers.

AGENDA ITEM 4 – 2008-2009 PERFORMANCE PLANS FOR THE SENIOR PORTFOLIO MANAGERS AND PORTFOLIO MANAGERS (FIRST READING)

Ms. O'Brien presented, as an action item, for first reading, the 2008-2009 Performance Plans for the Senior Portfolio Managers and Portfolio Managers.

On **MOTION** by Mr. Moret, **SECONDED** and **CARRIED** the Committee approved the first reading of the 2008-2009 Performance Plans for the Senior Portfolio Managers and Portfolio Managers.

AGENDA ITEM 5 – HUMAN RESOURCES DIVISION REPORT

Ms. O'Brien provided follow-up information regarding the May 2008 Salary Survey agenda item.

AGENDA ITEM 6 - PROPOSED AUGUST 2008 AGENDA

The draft agenda for the August 2008 Committee meeting was reviewed and accepted.

AGENDA ITEM 7 – PUBLIC COMMENT

There was no public comment.

The next Performance and Compensation Committee meeting is scheduled for August 19, 2008, in Sacramento, California.

KENNETH W. MARZION
Interim Chief Executive Officer